

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:779

ANSWERED ON:01.03.2016

Cotton Prices

Khushi Shri Bhagwanth

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether the Government is aware that cotton growers of the country are in great distress due to low cotton prices;
- (b) if so, the details thereof;
- (c) whether the Government is considering to increase the MSP for cotton to provide the adequate remunerative prices to the farmers for their produce; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

???? ???? ????? ??????? ????????? ???? ????? ??????? (SHRI MOHANBHAI KUNDARIYA)

(a) & (b): The current market prices of Cotton are ruling above Minimum Support Price (MSP) fixed by the Government except in some centres in Gujarat.

Government of India fixes Minimum Support Prices (MSP) for various agricultural crops, including raw cotton, on the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of concerned State Governments, Central Ministries and other relevant factors. In making the recommendations CACP takes into account factors such as cost of production, industrial cost structure, changes in input prices, demand-supply situation, inter-crop price parity, effect on general price level, etc. Government has fixed the MSP of cotton for 2015-16 season at Rs. 3800 per quintal (medium staple) and at Rs. 4100 per quintal (long staple) taking into account all the factors mentioned above. The MSP fixed for 2015-16 season provides adequate margin over the all-India level average paid out costs including family labour (A2+FL) of Rs. 2753 per quintal, as estimated by CACP.

In order to ensure remunerative price to cotton growers and to avoid distress sale by farmers, Cotton Corporation of India Ltd. (CCI) is designated as the nodal agency for procurement at MSP. It undertakes procurement operations whenever cotton market prices fall below MSP. As on 23rd February, 2016 CCI was undertaking procurement of cotton through 219 centres and has procured 8.25 lakh bales.

(c) & (d): There is no proposal to increase the MSP of Cotton for 2015-16 season.
